

CASA HOLDINGS LIMITED

(Company Registration No. 199406212Z)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ON THE AGM

The Board of Directors of Casa Holdings Limited (the "Company" and together with its subsidiaries, the "Group") refers to the queries raised by the Securities Investors Association (Singapore) in relation to the Company's Annual General Meeting for the financial year ended 30 September 2022 ("FY2022") and appends the replies as follows:

Question 1

As noted in the letter to shareholders, the group reported revenue of \$21.7 million for FY2022, an increase of 14% from \$19.0 million in FY2021. Profit after tax decreased by 24.8% to \$1.4 million from \$1.9 million in FY 2021 mainly due to the net currency translation loss suffered by the group as a result of the weakening of the Malaysian Ringgit against the Singapore Dollar.

LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), we present you the annual report of Casa Holdings Limited ("Casa" or the "Group") for the financial year ended 30 September 2022 ("FY 2022").

REVIEW OF OPERATIONS

We saw sales have returned to pre-pandemic levels. Revenue was recorded at \$21.7 million, up by 14.0% from the last financial year ("FY 2021").

(Source: company annual report)

- (i) *Can management help shareholders better understand the key drivers of the group's distribution business? How is the group positioned to benefit from the removal of all/most COVID-19 related safe management measures and the re-opening of the economy?*

In addition, as noted in the letter to shareholders, the group has a newly renovated showroom which makes use of ordinary and salvaged common building materials, such as cement bricks, plywood and cut-off stones that won the Design of the Year 2022 Award by Singapore Institute of Architects.

- (ii) *What is the impact of the new showroom and the award on the group's business?*

- (iii) *Can management elaborate further on the group's efforts in sustainability/energy-efficient appliances? How has the group changed its business model to cater to consumers' focus on sustainability/net-zero?*

Separately, the group has 13,000 sqm of the land area at Teluk Jawa, Mukim of Plentong, Johor, Malaysia for its Seventh Cove residential project which has been put on hold since 2016, after a (discontinued) preview launch in 2015.

- (iv) *Can management (re)state the group's competitive advantage in real estate development in Johor?*
- (v) *Has the board considered the sale of the group's stake in the Seventh Cove project to re-allocate capital back in the core business and/or to return excess capital to shareholders?*

Company's response

- (i) The key drivers of our distribution business are our product quality and range, dealers' network, and resourcefulness of our people. The Group will continue to invest to build awareness of our brands and products, bring in new products, maintain our commitment to quality, enter new markets and train our people.

The removal of all/most of COVID-19 related safe management measures has boosted the delivery of new homes that drive demand for home appliances and bathroom products.

We have an extensive dealers' network in Singapore to serve consumers who prefer a physical touch-and-feel retail experience. The re-opening of the economy has improved foot traffic to retail stores which drives sales.

- (ii) The new showroom and award have no immediate impact on our revenue. The award has brought traffic to our showroom which the Group plans to capitalise on to enhance our branding.
- (iii) The Group strives to increase the number of products with high energy and water efficiency that can be distributed at a competitive price. The Group is continuously working with our suppliers and brand principals to use recyclable materials, including packaging, or improve product design to reduce carbon footprint.
- (iv) Our CEO, Mr. Lim Soo Kong ("Mr. Lim"), had developed low rise buildings in Singapore and has experience in property development in Malaysia in his personal capacity. Through his experience as a property developer, Mr. Lim can provide the Group access to contacts to supplement the expertise of Malaysian professionals engaged to support real estate development in Johor.
- (v) The board will evaluate the group's options taking into consideration of the oversupply and lackluster demand for properties in Malaysia. Nonetheless, we do not rule out monetizing the group's stake in the project should opportunities arise.

Question 2

As disclosed in Note 16 (page 62 – Investments in an associated company), the company holds 14.73% of Fiamma Holdings Berhad as at 30 September 2022. The company continues to have representative on the board of directors of Fiamma and, accordingly, it was assessed that the group has significant influence over Fiamma and Fiamma is accounted for as associated company.

The associated company as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation is also its principal place of business.

Name of entity	Place of business/ country of incorporation	% of equity interest	
		2022	2021
Fiamma Holdings Berhad ^(a)	Malaysia	14.73	15.17

(a) Audited by KPMG, Malaysia.

Fiamma Holdings Berhad ("Fiamma"), which is listed in the Bursa Malaysia, is an investment holding company with subsidiary corporations operating in Malaysia.

There are no contingent liabilities relating to the Group's interest in the associated company.

(Source: company annual report)

- (i) What was the reason for the decrease in the company's interest in Fiamma?*
- (ii) Are there any operational synergies with Fiamma? What is the strategic value of Fiamma in the company's long term road map?*

Fiamma has a market capitalisation of approximately RM500-530 million while the company has a market capitalisation of approximately \$17 million.

- (iii) Are there plans to crystallise the value in Fiamma and to reward shareholders with a special dividend/capital reduction?*

Company's response

- (i) The dilution of the Company's interest in Fiamma was solely due to the exercise of options pursuant to Fiamma's Employees' Share Option Scheme by option holders.
- (ii) There is no operational synergy with Fiamma as the Group operates independently from Fiamma as an associated company.
- (iii) The Group will evaluate its investment in Fiamma and does not rule out the sale of its interest in Fiamma if the price is right.

Question 3

Mr. Lai Hock Meng was appointed as an independent non-executive director of the company on 28 March 2022 following the cessation of Dr Low Seow Chay who had served on the board from August 1995 to March 2022.

The announcement of appointment of Mr. Lai Hock Meng can be found at:

<https://links.sgx.com/1.0.0/corporate-announcements/ESBOW1C4CDKLXUKR/bff3f97bc70b3cf8c116435b4f2806acbacc17e4bae74891462576df35d0bbcbe>

CHANGE - ANNOUNCEMENT OF APPOINTMENT::APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

COMPANY SECRETARY

Description (Please provide a detailed description of the event in the box below)

Appointment of Mr. Lai Hock Meng as Independent Non-Executive Director

Additional Details

Date Of Appointment

28/03/2022

Name Of Person

Mr. Lai Hock Meng

Age

66

Country Of Principal Residence

Singapore

The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)

The appointment of Mr. Lai as an Independent Non-Executive Director was recommended by the Nominating Committee and approved by the Board of Directors of the Company (the "Board"), after taking into consideration his qualifications, knowledge and working experience as well as leadership roles.

The Board is of the view that Mr. Lai's experience in financial management, corporate finance and corporate governance would complement the skill sets and experience of the existing board members and provide further diversity to the core competencies and knowledge of the Board, and thus has approved his appointment. Following his appointment as an Independent Non-Executive Director of the Company, Mr. Lai will also be appointed as Chairman of the Board and Chairman of the Nominating Committee, as well as a member of the Audit Committee and the Remuneration Committee.

The Board considers Mr. Lai to be independent for the purpose of Rule 704(8) of the Mainboard Listing Manual of the Singapore Exchange Securities Trading Limited.

(Source: company announcement; emphasis added)

(i) Can the company help shareholders better understand the chairman's experience in distribution of electrical and electronic home appliances, kitchen, bathroom fixtures and accessories; and property development in Malaysia.

In addition, the rationale, selection criteria, and the search and nomination process are required by SGX and have been included in the announcement of appointment template (highlighted above).

(ii) Would the company/nominating committee (NC) disclose the selection criteria and the search and nomination process that led to the appointment of Mr Lai Hock Meng as required in the SGX announcement template?

(iii) In particular, was Mr Lai Hock Meng identified from personal contacts of directors/former directors? If so, how does the use of personal contacts help the board to achieve its board diversity policy?

The profiles of the directors can be found on pages 6 & 7 of the annual report. Additional information on directors seeking their re-election/re-appointment as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found on pages 99 too 108 and in the notice of annual general meeting dated 30 December 2022.

In addition, the director has provided affirmative answers to the following questions in the announcement of appointment/Appendix 7.4.1 in the notice of annual general meeting:

<i>Question</i>	<i>Details</i>
<i>(j)(i)</i>	<i>relating to the director's involvement/association with any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere</i>
<i>(k)</i>	<i>the director being the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere</i>

Details of the two events relating to breaches (under (j)(i)) can be found in Annex A (page 107 of the annual report/page 12 of the notice of annual general meeting). In addition, details of a warning letter from Monetary Authority of Singapore regarding the contravention of Section 133 of the Securities and Futures Act, Chapter 289 of Singapore for failing to notify a listed corporation of a change in his interest in the securities of the corporation can be found on page 108 of the annual report (also page 13 of the notice of annual general meeting).

(iv) Can the board/NC help shareholders better understand how they have evaluated the disclosures in Annex A and B? How did the disclosures affect the board/NC's decision to appoint the director as the chairman of the board, chairman of the NC and a member of the audit committee and the remuneration committee?

In addition, the company also appointed Dr Wee Chow Hou on 28 March 2022.

(v) Similarly, what was the search and nomination process that led to the appointment of Dr Wee Chow Hou?

(vi) Has the NC/board considered the benefits of leveraging an executive recruitment agency to cast its net wider for potential candidates?

Company's response

- (i) The experience of the chairman, Mr. Lai Hock Meng ("Mr. Lai"), is disclosed on page 6 of the FY2022 Annual Report.
- (ii) The selection criteria are qualifications, knowledge, work experience (including prior experience as a director of a listed issuer) as well as leadership roles that complement the skill sets and experience of the existing board members. Through evaluation of resumes and interviews, the Board is of the view that Mr. Lai, amongst other candidates, would provide further diversity to the core competencies and knowledge of the Board with his experience in financial management and corporate finance.
- (iii) Mr. Lai was identified from a business contact of a director. He was a former non-executive director of City Energy Pte. Ltd. (formerly known as City Gas Pte Ltd) from 2002 to 2006, and Senoko Power Limited ("Senoko Power") from 2001 to 2005. City Energy and Senoko Power have complementary services with CASA. In addition, Mr. Lai grew up in Malaysia and his family has long been involved in property development and construction in Ipoh Malaysia.
- (iv) The Board had evaluated the nature of the disclosures in Annex A and B in tandem with the experiences of Mr. Lai and is of the view that the disclosures would not impede Mr. Lai's ability to discharge his duties as the chairman of the Board, chairman of the NC and member of the AC and RC.
- (v) The selection criteria are qualifications, knowledge, work experience (including prior experience as a director of a listed issuer) as well as leadership roles that complement the skill sets and experience of the existing board members. Through evaluation of resumes and interviews, the Board is of the view that Dr Wee Chow Hou, amongst other candidates, with his experience as director of various public sector organisations, non-profit organisations and listed companies would provide further diversity to the core competencies and knowledge of the Board in training, strategy, and marketing.
- (vi) The Board will consider leveraging an executive recruitment agency to source for potential candidates.

By order of the Board

Lim Soo Kong
Executive Director and Chief Executive Officer

Date: 13 January 2023